



For Immediate Release

WESTERN FINANCIAL GROUP ANNOUNCES Q3 RESULTS
NET INCOME INCREASED BY 31% AND BASIC EARNINGS PER SHARE UP BY 7%; FULLY DILUTED
EARNINGS PER SHARE UP 15%

High River, Alberta – November 10, 2010, (TSX – WES) - Western Financial Group (“the Company”) announced today its operating and financial results for the three and nine months ended September 30, 2010.

Financial Highlights

(unaudited) (in \$ thousands except for per share amounts)	Three Months ended September 30			Nine Months ended September 30		
	2010	2009	% Change	2010	2009	% Change
The Network						
Commissions and other customer revenue	\$ 27,446	\$ 20,425	34.4%	\$ 81,115	\$ 61,055	32.9%
Operating expenses	19,662	14,594	34.7%	58,496	43,407	34.8%
Operating income	\$ 7,783	\$ 5,831	33.5%	\$ 22,619	\$ 17,648	28.2%
Bank West						
Interest and investment income	\$ 6,880	\$ 6,795	1.2%	\$ 20,450	\$ 19,017	7.5%
Interest expense - customer deposits	3,314	3,723	-11.0%	9,467	11,155	-15.1%
Net interest and investment income	3,566	3,072	16.1%	10,983	7,862	39.7%
Provisions for credit losses	857	922	-7.0%	1,781	1,728	3.1%
Operating expenses	2,272	1,869	21.6%	7,038	6,593	6.8%
Operating income (loss)	\$ 437	\$ 281	55.5%	\$ 2,164	\$ (459)	571.5%
Western Life						
Premium and investment income	\$ 16,067	\$ 12,260	31.1%	\$ 40,479	\$ 31,052	30.4%
Policyholder benefits	8,616	7,224	19.3%	21,253	16,056	32.4%
Operating expenses	5,660	3,997	41.6%	14,303	11,370	25.8%
Operating income	\$ 1,791	\$ 1,039	72.3%	\$ 4,923	\$ 3,626	35.8%
Western Financial Insurance						
Premium and investment income	\$ 9,558	\$ -	-	\$ 27,779	\$ -	-
Policyholder benefits	3,623	-	-	12,355	-	-
Operating expenses	3,045	-	-	9,374	-	-
Operating income	\$ 2,890	\$ -	-	\$ 6,050	\$ -	-
Corporate and all other						
Other revenues	\$ 312	\$ 608	-48.7%	\$ 1,020	\$ 1,219	-16.3%
Operating expenses	2,992	2,505	19.4%	8,637	7,257	19.0%
Operating loss	\$ (2,680)	\$ (1,897)	-41.3%	\$ (7,617)	\$ (6,038)	-26.2%
Total operating income	\$ 10,221	\$ 5,254	94.5%	\$ 28,139	\$ 14,777	90.4%
Net income	\$ 5,101	\$ 4,147	23.0%	\$ 13,114	\$ 9,986	31.3%
Preferred dividends	(1,796)	(1,202)	49.4%	(5,425)	(3,207)	69.2%
Earnings available to common shareholders	\$ 3,305	\$ 2,945	12.2%	\$ 7,689	\$ 6,779	13.4%
Earnings per share						
- basic (\$)	\$ 0.06	\$ 0.06		\$ 0.15	\$ 0.14	
- diluted (\$)	\$ 0.06	\$ 0.06		\$ 0.15	\$ 0.13	



2010 KEY OBJECTIVES	
Network Same Store Sales	4%-7% growth
Network Operating Margin	28%
Bank West Specific Provisions	75 bps or less
Western Financial Insurance Loss Ratio	55% or less
Western Life Loss Ratio	45% or less
Overall 2010 Net Income	\$18.5 to \$20 million

Western Financial Group today announced its third quarter 2010 financial numbers which show net income increased by 37%, with Earnings Per Share up by 7% and fully diluted Earnings Per Share up 15% over the same period in 2009. All Business Units showed positive results year over year, with Bank West reporting its second profitable quarter in a row and record profits for the year to date.

“Our results for the 9 months reflect the continued progress toward our stated objectives for 2010,” said Scott Tannas, President and CEO. “At this moment, with our traditionally strongest quarter ahead of us, we remain confident we are on track for all our key measurements above. Our optimism is tempered by continued modest growth in the economy in the West. We continue to be cautious with cash management, expense control, and capital allocation,” he said.

The Network

The Network combined margin for the nine months was 28%, with Group Insurance Solutions’ margin at 22% and the retail division at 30%. Retail same store sales are at 4.3%, and same store customer count grew by 1.92% on a YTD, annualized basis.

Bank West

The Bank’s loan book decreased slightly over the quarter, to \$378.2 million. Our specific charges for loan losses stand at 48 basis points at 9 months, which on an annualized basis is tracking toward a significant improvement over 2009. The gross non performing loan ratio also continues to improve over prior quarters, standing now at 1.65%. While there is much to be done to improve profitability at Bank West, we are pleased to have a \$2.6 million positive swing in operating income over this time last year.

Western Life

Western Life’s growth continued with premium income up by 17% year over year, gaining momentum over Q2. Their loss ratio abated significantly in the quarter bringing their year to date ratio to 48%. Cross sales within the Western Financial Group continue to set new highs each quarter.

Western Financial Insurance

Western Financial Insurance’s premium revenue is up 13% with improved loss ratios year over year of 43% compared to 48% in 2009. Net new policy count is 3,812 for the year, bringing the total in-force policies to 68,864.

Strategic Partnership Portfolio

The Company’s partnerships in investment banking, insurance distribution and manufacturing provided combined positive income for the quarter, with all units tracking at or near our 2010 expectations.

Conference Call

Western Financial Group will host a conference call to discuss the Company's third quarter financial results on Monday, November 15, 2010 at 9:00 am Mountain time (11:00 am Eastern time). To participate in the live conference call, please dial (888) 231-8191 or (647) 427-7450 (Toronto). A replay of the call will be available from November 15th at 12:30 pm Mountain time until November 30th at 21:59 PM MT. To access the replay please dial either (800) 642-1687 or (416) 849-0833 and enter pass code 22622940. The conference will also be broadcast live over the internet and archived through the Company's website at www.westernfinancialgroup.ca.



Western Financial Group is a leader in providing insurance, financial services and banking services in over 90 communities, to more than 500,000 individuals and businesses in Western Canada through its wholly owned network of offices, its affiliated insurance brokers, Western Life Assurance Company, Bank West and Western Financial Insurance Company.

The Company's Financial Report for the third quarter of 2010 will be filed on SEDAR on or before November 12, 2010.

Forward-looking statements involve numerous assumptions, risks and uncertainties, including the risk that prediction and other forward-looking statements may not prove to be accurate. We caution the reader not to place undue reliance on these disclosures, as a number of important factors could cause actual results to differ materially from the estimates and comments expressed in them. Such factors may include, but are not limited to: changing financial and economic conditions in Canada, particularly in Western Canada; regulatory developments; competition industry trends and availability of capital resources; and our anticipated success in managing our risks. We caution readers that the foregoing list is not exhaustive. Except required by law, we do not undertake to update any forward-looking statements, written or oral, that we may make from time to time regarding our operations and performance.

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CONSOLIDATED BALANCE SHEETS

(unaudited)

(in thousands, except for per share amounts)

		As at September 30	As at December 31
	Note	2010	2009
ASSETS			
Cash and cash equivalents		\$ 82,167	\$ 58,463
Securities - held-for-trading		69,858	61,373
Securities - available-for-sale	3	39,652	30,901
Mortgages, loans and leases, net of allowance for credit losses	4	373,266	355,621
Interest rate swaps		-	90
Equity investments	6	16,824	11,591
Capital assets		15,973	15,524
Goodwill	8	166,398	148,205
Intangible assets		73,471	72,825
Accounts receivable		41,051	51,114
Prepaid expenses		7,332	7,231
Future income taxes		1,124	1,102
Other assets		3,190	2,286
Total assets		\$ 890,306	\$ 816,326
LIABILITIES			
Customer deposits		\$ 342,416	\$ 317,953
Actuarial liabilities		47,120	40,032
Provision for unpaid and unreported claims		16,797	13,919
Debt		73,969	79,771
Interest rate swaps		450	-
Due to policyholders		18,640	20,392
Accounts payable and accrued liabilities		97,647	82,700
Income taxes payable		1,093	1,809
Future income taxes		13,377	13,199
Total liabilities		611,509	569,775
SHAREHOLDERS' EQUITY			
Share capital	9	233,140	206,905
Other paid in capital		268	268
Contributed surplus		2,187	2,041
		235,595	209,214
Accumulated other comprehensive loss	10	(144)	(129)
Retained earnings		43,346	37,466
Total shareholders' equity		278,797	246,551
		\$ 890,306	\$ 816,326



CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(in thousands, except for per share amounts)

	Three months ended Sept 30		Nine months ended Sept 30	
	2010	2009	2010	2009
REVENUE				
Commission and other customer income	\$ 27,966	\$ 20,925	\$ 82,962	\$ 62,225
Premium income	21,334	9,522	59,177	27,647
Interest income on customer loans	6,720	6,487	19,845	18,422
Investment income				
Change in fair value of held-for-trading securities	3,438	2,304	6,710	2,930
Realized gain (loss) on sales of available-for-sale assets	17	396	105	(154)
Realized gain on sales of held-for-trading securities	124	27	131	57
Other net investment income	664	427	1,913	1,216
	60,263	40,088	170,843	112,343
EXPENSES				
Operating expenses	33,632	22,965	97,848	68,627
Policyholder benefits	12,239	7,224	33,608	16,056
Interest expense - customer deposits	3,314	3,723	9,467	11,155
Provision for credit losses	857	922	1,781	1,728
Income before the following:	10,221	5,254	28,139	14,777
Income from equity investments	447	1,783	1,039	2,618
Gain on sale of investments and capital assets	-	371	-	374
Interest and financing costs on debt	(1,559)	(997)	(4,564)	(2,600)
Amortization of capital assets	(671)	(627)	(2,001)	(1,797)
Amortization of intangible assets	(1,007)	(586)	(2,926)	(1,705)
Income before income taxes	7,431	5,198	19,687	11,667
Income taxes	(2,330)	(1,051)	(6,573)	(1,681)
NET INCOME FOR THE PERIOD	\$ 5,101	\$ 4,147	\$ 13,114	\$ 9,986
Preferred share dividends	\$ (1,796)	\$ (1,202)	\$ (5,425)	\$ (3,207)
Net income available to common shareholders	\$ 3,305	\$ 2,945	\$ 7,689	\$ 6,779
Average number of common shares	52,990	49,363	52,990	49,363
Average number of diluted common shares	53,008	55,466	53,025	55,458
Earnings per common share				
Basic	\$ 0.06	\$ 0.06	\$ 0.15	\$ 0.14
Diluted	\$ 0.06	\$ 0.06	\$ 0.15	\$ 0.13